



Montgomery County Council

For Immediate Release

November 29, 2005

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COUNCIL APPROVES MEASURE TO STRENGTHEN COUNTY EFFORT AGAINST PREDATORY LENDING

The Montgomery County Council today approved legislation to strengthen the ability of the County to assist victims of predatory lending by expanding the County's fair housing and civil rights laws.

The measure expands the categories of lending activities that constitute discriminatory housing practices and increases the amount of damages that the Commission on Human Rights can award from a maximum of \$5000 to a maximum of \$500,000.

The bill clarifies that individuals must not engage in discriminatory lending practices and requires the Commission to provide an annual report on discriminatory lending activity in the County to the Executive and Council.

Discriminatory predatory lending targets borrowers with limited or poor credit for loans with exorbitant or abusive terms based on race, national origin, sex, age, or other discriminatory categories. Most abusive home-lending practices occur in the sub-prime market and many address home loan opportunities for people with limited credit histories. African Americans, Latinos, the elderly and those with low-incomes are disproportionately victims of predatory lending.

"This legislation ensures that the County has the tools it needs to investigate and punish those engaging in predatory lending in Montgomery County," said Councilmember George Leventhal. "Buying a home is part and parcel of the American dream, but predatory loans can turn that dream into a nightmare."

"We've made substantial progress," said Council President Tom Perez, sponsor of the original bill. "But we need to do more and I intend to do so."

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